

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 2003-107

February 25, 2003

MAINE PUBLIC UTILITIES COMMISSION  
Electric Transmission & Distribution  
Utility Statewide Low-Income Assistance  
Plan Funding

ORDER SETTING  
FUNDING LEVELS

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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**I. SUMMARY**

In this Order, we apportion the Statewide Low-Income Assistance Plan Fund to the Transmission and Distribution Electric Utilities (T&D) to fund their individual Low-Income Assistance Plans for the Program year beginning October 1, 2003. The assessment that each T&D utility must pay to fund the statewide program, as well as the administrative costs each will pay to run the program, will remain as originally established by Chapter 314.

**II. BACKGROUND**

On July 31, 2001, in Docket No. 2001-42, the Commission adopted Chapter 314, establishing the standard design, administration and funding mechanism for a Statewide Low-Income Assistance Plan (Plan) to make electric bills more affordable for qualified low-income customers. Chapter 314 required each of Maine's transmission and distribution utilities to create or maintain a Low-Income Assistance Program (LIAP) for its customers. Chapter 314 creates a central fund to finance the statewide plan and apportions the fund to each utility based on the percentage of LIHEAP eligible persons residing in that utility's service territory. Chapter 314 further provides that the Maine State Housing Authority will administer the Plan and the individual LIAPs.

Section 5(C) of Chapter 314 establishes the amounts that each T&D utility must pay to fund the Plan (assessment amount) and provides for future changes to the assessment if deemed necessary by the Commission. Chapter 314 states:

The Commission will monitor the needs of Maine's low-income electric customers and will evaluate annual LIAP funding and expenditure levels and program design features. For the program year beginning October 1, 2002 and for all subsequent program years, the Commission will by March 1 of each year adjust the overall assessment, as well as each utility's assessment, as necessary to ensure that the assistance provided by the LIAPs is consistent with the provisions of 35-A M.R.S.A., §3214.

Section 5(D) of Chapter 314 apportions the Plan's funds to T&D utilities and provides for the future changes to the apportionment amounts, if necessary. Chapter 314(5)(D) states:

Each transmission and distribution utility shall be apportioned a specific funding amount for its LIAP pursuant to this section. The apportionment amount shall be calculated by multiplying the percentage of the LIHEAP eligible people in the State residing in each utility's service territory by the total LIAP funding amount for benefits (established in section 5(B)(1)). Each utility's apportionment is stated in Appendix A to this Chapter. A utility may petition the Commission by March 1 for the upcoming program year to modify the apportionment rates used to establish the apportionments contained in Appendix A due to demographic changes in the LIHEAP population. The Commission itself may also open a proceeding to change the apportionment rates if it has evidence that demographics used to establish the apportionments have changed.

### III. DISCUSSION AND DECISION

After reviewing the annual filings made by the T&D companies reporting the results of last year's plan, we find that Central Maine Power, Maine Public Service Company, Eastern Maine Electric, Fox Island Electric, Swans Island Electric Cooperative, and Van Buren Light and Power underspent for their LIAP programs by \$400,000, \$106,745, \$168, \$4,456, \$1,864 and \$1,702 respectively<sup>1</sup>. A cumulative amount of \$514,935 has been added to this year's \$5,790,221 assessment to create an available fund for the statewide program for the 2003 program year of \$6,305,156.<sup>2</sup>

As described above, each utility must contribute a specific amount to the statewide plan each year. Utilities whose assessment amount exceeds their apportionment amount must forward the difference to the MSHA and must spend the remaining apportionment on its own LIAP. If it underspends on its LIAP, it must forward

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<sup>1</sup> Maine Public Service Company, Eastern Maine Electric, and Van Buren Light and Power's apportionment for last year was greater than the assessment. Therefore, MSHA already has the funds to roll into the 2003 program year. Central Maine Power, Eastern Electric Cooperative, Fox Island Electric and Swans Island must remit to MSHA funds underspent for last year.

<sup>2</sup> CMP underspent its apportionment for the program year ended September 30, 2002 by \$821,083. As a result, it revised its program and has determined that it will overspend for the current year its LIAP by \$421,083. We agree to allow CMP to withhold that amount from its reimbursement to the program fund. Therefore, \$400,000 of the amount underspent by CMP will be added to the funding available for the 2003 program year. If CMP does not spend its apportionment for the current year plus the additional \$421,083 from the prior year, it will be required to forward to the MSHA the difference.

the underspent amount to the MSHA to fully meet its assessment obligation pursuant to Chapter 314 §5(B).

Chapter 314 set the apportionment rates using statistics provided by the MSHA that listed the number of clients eligible for the Home Energy Assistance Program (HEAP) by utility service territory. The information obtained from MSHA was not complete and some eligible participants were assigned to an “unknown” category or to a utility based upon the street address. After comparing the MSHA statistics and the annual reports from the utility companies, we find that it is necessary to change the apportionment rates to adjust for the LIHEAP eligible clients that were not assigned to a service territory. The changes will not be material to any of the T&D utilities. The percentages and the apportionment for each T&D utility are shown in Appendix A, Table 1 of this Order.

We have also reviewed the assessment and determined that no change is currently warranted. Therefore, the assessment for both the program funds and the funding for the plans’ administrative costs, will remain as established in Chapter 314. We have included those assessments on Tables 2 and 4 of Appendix A. Table 3 shows those T&D utilities that must make payments to MSHA. This amount is the difference for the current year assessment and current year apportionment.

Accordingly, we:

**ORDER**

1. That the Statewide Low-Income Assistance Plan Funds be apportioned to the T&D utilities pursuant to Table 1, Appendix A;
2. The annual assessment to fund the Statewide Low-Income Assistance Plan that each T&D utility must pay will remain as originally established by Chapter 314 and shown on Table 2, Appendix A. T&D utilities owing to the fund as shown in Table 3, Appendix A, will make payments to Maine State Housing Authority (MSHA) in accordance with the requirements of Chapter 314.
3. The annual assessment that each T&D utility must pay to administer the plan will remain as originally established by Chapter 314 and shown on Table 4, Appendix A. T&D utilities will make payments to MSHA in accordance with the requirements of Chapter 314.

Dated at Augusta, Maine, this 25<sup>th</sup> day of February, 2003.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:      Welch  
   Nugent  
   Diamond

### Appendix A

Table 1: Apportionment of Statewide Low-Income Assistance Plan Funds for Program Year 2003

Company	% of LIHEAP Clients	Prior-Year Funds Rolled into 2003 Program Year	2003 Program Year Apportionment	Total Apportionment
Central Maine Power	60.64	\$312,293	\$3,511,602	\$3,823,896
Bangor Hydro-Electric	23.29	119,931	1,348,571	1,468,501
Maine Public Service	11.09	57,090	641,947	699,037
Eastern Maine Electric	2.74	14,118	158,750	172,868
Fox Island Electric	0.14	725	8,151	8,876
Houlton Water Co.	0.75	3,838	43,162	47,000
Kennebunk Light & Power	0.14	725	8,151	8,876
Madison Dept of Electric Works	0.68	3,494	39,287	42,780
Swans Island Electric	0.04	202	2,272	2,474
Van Buren Light & Power Dist.	0.49	2,519	28,329	30,848
Totals	100.00	\$514,935	\$5,790,221	\$6,305,156

Table 2: Assessment for 2003 Program Year Costs

Company	Assessment
Central Maine Power	\$4,471,263
Bangor Hydro-Electric	848,352
Maine Public Service	263,608
Eastern Maine Electric	73,962
Fox Island Electric	13,743
Houlton Water Co.	35,058
Kennebunk Light & Power Co.	43,683
Madison Dept of Electric Works	24,703
Swans Island Electric	4,825
Van Buren Light & Power District	11,024
Totals	\$5,790,221

Table 3: Payments to MSHA for 2003 Program Year Funding

Company	Payment Due to MSHA
Central Maine Power	\$959,661
Fox Island Electric	5,592
Kennebunk Light & Power Co.	35,532
Swans Island Electric	2,553

Table 4: Assessment of Administrative Costs for 2003 Program Year

Company	Internal	External	Total Administrative Costs
Central Maine Power	\$ 79,812	\$ 217,178	\$ 296,990
Bangor Hydro-Electric	15,142	46,209	61,351
Maine Public Service	4,706	16,589	21,295
Eastern Maine Electric	1,320	4,545	5,865
Fox Island Electric	245	656	901
Houlton Water Co.	626	1,847	2,473
Kennebunk Light & Power Co.	780	1,832	2,612
Madison Dept of Electric Works	441	1,318	1,759
Swans Island Electric	85	223	308
Van Buren Light & Power District	197	767	964
Totals	\$ 103,354	\$ 291,164	\$ 394,518

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 21 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.